

Article - State Government

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§9-1A-27.

(a) Except as provided in subsections (b) and (c) of this section and § 9-1A-26(a)(3) of this subtitle, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at each video lottery facility:

(1) (i) on or before March 31, 2015, 2% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle; and

(ii) beginning April 1, 2015, 1% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle;

(2) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed, except as provided in subsection (b) of this section, 33%;

(3) 5.5% in local impact grants, in accordance with § 9-1A-31 of this subtitle;

(4) 6% to the Purse Dedication Account established under § 9-1A-28 of this subtitle, not to exceed a total of \$100,000,000 to the Account annually;

(5) (i) until the issuance of a video lottery operation license in Baltimore City, 1.75% to the Racetrack Facility Renewal Account established under § 9-1A-29 of this subtitle and distributed in accordance with that section; and

(ii) on or after the issuance of a video lottery operation license in Baltimore City, 1% to the Racetrack Facility Renewal Account established under § 9-1A-29 of this subtitle and distributed in accordance with that section, not to exceed a total of \$20,000,000 to the Account annually;

(6) (i) except as provided in items (ii) and (iii) of this item, 1.5% to the Small, Minority, and Women-Owned Businesses Account established under § 5-1501 of the Economic Development Article;

(ii) for fiscal year 2018, 1.5% to the General Fund to pay a portion of the costs of the grants provided under Chapters 6 and 607 of the Acts of the General Assembly of 2017;

(iii) for fiscal years 2019 and 2020, 1.5% to the Education Trust Fund established under § 9–1A–30 of this subtitle; and

(iv) beginning in fiscal year 2021, from the amount paid to the Small, Minority, and Women–Owned Businesses Account under item (i) of this item, up to 5%, not to exceed \$1,000,000, to the Nonprofit, Interest–Free, Micro Bridge Loan (NIMBL) Account established under § 5–1204 of the Economic Development Article;

(7) (i) except as provided in items (ii) and (iii) of this item, 6% to the video lottery operation licensee if the video lottery operation licensee owns or leases each video lottery terminal device and the associated equipment and software;

(ii) 8% to the video lottery operation licensee in Anne Arundel County; and

(iii) 10% to the video lottery operation licensee in Allegany County or Worcester County if the video lottery operation licensee assumes ownership or the right to lease each video lottery terminal device and the associated equipment and software used by the facility before January 1, 2019;

(8) beginning after the issuance of a video lottery operation license for a video lottery facility in Prince George’s County, 8% to the video lottery operation licensee in Anne Arundel County and 7% to the licensee in Baltimore City for:

(i) marketing, advertising, and promotional costs required under § 9–1A–23 of this subtitle; and

(ii) capital improvements at the video lottery facilities; and

(9) the remainder to the Education Trust Fund established under § 9–1A–30 of this subtitle.

(b) (1) Beginning July 1, 2013, for a video lottery facility in Worcester County with less than 1,000 video lottery terminals, the percentage in subsection (a)(2) of this section is equal to 43% provided that each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility.

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the percentage in subsection (a)(2) of this section is equal to 48% provided that each year an amount equivalent to 2.5% of the proceeds from video lottery terminals at the video lottery facility is spent on capital improvements at the video lottery facility.

(3) For a video lottery facility in Prince George's County, the percentage in subsection (a)(2) of this section stated in the accepted application for the location may not exceed 38%.

(4) Beginning July 1, 2023, for a video lottery facility in Cecil County, the percentage in subsection (a)(2) of this section is equal to 36% provided that each year an amount equivalent to 3% of the proceeds from video lottery terminals at the video lottery facility is spent on:

(i) marketing, advertising, and promotional costs required under § 9-1A-23 of this subtitle; and

(ii) capital improvements at the video lottery facility.

(5) Beginning July 1, 2023, for a video lottery facility in Baltimore City, the percentage in subsection (a)(2) of this section is equal to 34% provided that each year an amount equivalent to 1% of the proceeds from video lottery terminals at the video lottery facility is spent on:

(i) marketing, advertising, and promotional costs required under § 9-1A-23 of this subtitle; and

(ii) capital improvements at the video lottery facility.

(c) (1) For the first 10 years of operations at a video lottery facility in Allegany County, on a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of video lottery terminals at a video lottery facility in Allegany County:

(i) 1% to the State Lottery and Gaming Control Agency for costs as defined in § 9-1A-01 of this subtitle;

(ii) to the video lottery operation licensee, the percentage stated in the accepted application for the location, not to exceed 50%;

(iii) 3.75% in local impact grants, in accordance with § 9-1A-31 of this subtitle;

(iv) 2.5% to the Purse Dedication Account established under § 9-1A-28 of this subtitle;

(v) 1. except as provided in items 2 and 3 of this item, 0.75% to the Small, Minority, and Women-Owned Businesses Account established under § 5-1501 of the Economic Development Article;

2. for fiscal year 2018, 0.75% to the General Fund to pay a portion of the costs of the grants provided under Chapters 6 and 607 of the Acts of the General Assembly of 2017; and

3. for fiscal years 2019 and 2020, 0.75% to the Education Trust Fund established under § 9-1A-30 of this subtitle; and

(vi) the remainder to the Education Trust Fund established under § 9-1A-30 of this subtitle.

(2) After the first 10 years of operations at a video lottery facility in Allegany County, the proceeds generated at the facility in Allegany County shall be allocated as provided in subsections (a) and (b) of this section.

(d) (1) Each video lottery operation licensee shall retain 80% of the proceeds of table games at the video lottery facility.

(2) On a properly approved transmittal prepared by the Commission, the Comptroller shall pay the following amounts from the proceeds of table games at each video lottery facility:

(i) 5% to the local jurisdiction in which the video lottery facility is located, provided that:

1. 50% of the proceeds paid to Baltimore City shall be used to fund school construction projects; and

2. 50% of the proceeds paid to Baltimore City shall be used to fund the maintenance, operation, and construction of recreational facilities; and

(ii) 15% to the Education Trust Fund established under § 9-1A-30 of this subtitle.

(e) (1) If the costs of the State Lottery and Gaming Control Agency are less than the proceeds specified in subsection (a)(1) of this section, any amount not distributed to the State Lottery and Gaming Control Agency shall be paid to the Education Trust Fund established under § 9-1A-30 of this subtitle.

(2) The costs of the Commission shall be as provided in the State budget.

(f) On or before December 1, 2019, and every year thereafter, the State Lottery and Gaming Control Commission shall report to the Governor and, in accordance with § 2–1257 of this article, the General Assembly on the distribution of proceeds of video lottery terminals to licensees for the procurement of video lottery terminals; marketing, advertising, and promotional costs; and capital improvements and the distributions of local impact grants to jurisdictions under § 9–1A–31 of this subtitle.

(g) Baltimore City shall report to the Baltimore City Senate and House Delegations by December 31 of each year as to the distribution and use of the funds provided under subsection (d) of this section.

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